

**Outer Continental Shelf
Oil and Gas Leasing Program
1997-2002
(5-Year Program)**

Public Hearing

Kivalina

1996

1 UNITED STATES DEPARTMENT OF THE INTERIOR
2 MINERALS MANAGEMENT SERVICE
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6 OFFICIAL TRANSCRIPT - PUBLIC HEARING
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8 DRAFT ENVIRONMENTAL IMPACT STATEMENT
9 OUTER CONTINENTAL SHELF OIL AND GAS
10 LEASING PROGRAM - 1997-2002
11

12
13 Kivalina, Alaska
14 Thursday, April 11, 1996
15 1:00 o'clock p.m.
16
17

18 MINERALS MANAGEMENT SERVICE PANEL MEMBERS
19

20 Mr. Bob Brock, Regional Supervisor for Leasing
21 and Environment

22 Mr. Ray Emerson, Chief, Environmental Assessment Section

23 Ms. Phyllis Casey, Coordinator, Five-Year Plan
24

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KIVALINA, ALASKA - THURSDAY, APRIL 11, 1996

(Tape No. 1 of 2)

(On record at 1:10 p.m.)

MR. BOB BROCK: This is Bob Brock from the Minerals Management Service. And before I start, we have Oscar here to interpret for us. Is there anybody here that would like to have my opening remarks interpreted? Is there anybody that's not comfortable to understand what I'm saying? I suppose you can't understand me if you can't answer the question, but is there anybody that would like my remarks interpreted?

(Simultaneous speech)

MR. BROCK: Do you want ask that question? Okay. I don't seem to take the time unless somebody wants it, but I would be more than glad. Oscar's here to help us out and do that if you would like to, so we'll keep him handy. If someone wants something interpreted, well, just waive their hand and we'll stop and do that; okay? I'd like to keep this as informal as possible.

Like I said, my name is Bob Brock. I'm the Regional Supervisor for Leasing and Environment with the Alaska Region of the Outer Continental Shelf Office of the Minerals Management Service in the U.S. Department of Interior. With me today is Ray Emerson, who is also working on this document that we're talking about, and Phyllis Casey wandering around back

1 here behind you is also with our office and is coordinating the
2 effort on this five-year program.

3 I'd like to explain just a little bit about what the
4 five-year program is. The five-year program is what the
5 Minerals Management Service sets out as possible offshore oil
6 and gas lease sales for a five-year period. The one we're
7 talking about is the five-year period from 1997 to 2002. Now
8 first I'm going to explain what's on that program.

9 Can you still hear me back there, Rich? Oh, before I
10 go any further, Rich Carl over here is with the -- is doing all
11 our recording. If you'd like a copy of the transcript or
12 anything, well, see Rich before you leave today.

13 The program that the Interior Department has proposed
14 for the next five-year term, 1997 to 2002, is to have five
15 lease sales offshore the state of Alaska. Two of those lease
16 sales would be in the Beaufort Sea area, one a very near shore
17 offshore sale, but near shore to the area, a very small focused
18 area, in the year 1998.

19 And in the year 2000, have a larger more encompassing
20 offshore sale that would include the entire blue area on this
21 map, or could possibly include the entire blue area. In 1999,
22 we're proposing a Cook Inlet sale area. In 2001, a Gulf of
23 Alaska sale area, and in 2002, a Chukchi/Hope Basin combined.
24 And of course, that's the reason we're here is because of this
25 area up here.

1 Now you'll notice that there's quite a distance
2 that's from the shoreline out -- oh, it's probably out there
3 about 30 miles before -- I don't remember exactly the distance,
4 but it's -- the closest area's probably about 10 or 12 miles
5 from shore that they're -- we're not including this white area
6 in the proposed sale, only further offshore.

7 As you know, there was a Chukchi/Hope Basin sale on
8 the last five-year program. The oil industry was not
9 interested in that sale, and so it was dropped off of the
10 schedule. In fact is -- the -- out of the last -- the five-
11 year program that we're currently operating on.

12 There were six oil and gas leases proposed, and
13 basically they were the same areas as you see here, plus out
14 here in St. George was the sixth one. And three of those, the
15 St. George, the Chukchi, the Hope, have already been canceled.
16 We're not going to hold those on this current five-year
17 program. We still have the possibility of holding a Beaufort
18 Sea, a Cook Inlet and a Gulf of Alaska sale on the current
19 program.

20 Now we're not here to talk about the current program
21 today, although if you have some questions we'll be glad to
22 answer them. But what we're talking about is the next five-
23 year program, and the reason these came back on is because we
24 don't know what's going to happen out there in the year 2002.
25 So we cannot consider having a sale if it's not on the five-

1 year program. That doesn't mean it's going to be -- actually
2 get to a sale area, as I've already talked about, but you can't
3 even consider it if it's not on the five-year program.

4 Before I get into the testimony here, I would like to
5 talk about what we're going to -- some of the things we're
6 going to do. The Minerals Management Service puts a lot of
7 effort into consensus building efforts in the local areas. We
8 really try to get out and talk to people all over the state, in
9 the coastal villages, in the coastal communities, to see what
10 their thoughts on this area. And we try to get as many
11 comments as we can to consider the viewpoints of every area we
12 can.

13 And for an example, one of the things that we did in
14 developing this next five-year program, we developed -- we
15 called together what we call the Alaska Stakeholders Task
16 Force, and this is a group of Alaskans from all around the
17 state representing various communities, various areas, various
18 interests.

19 We had fishermen, we had environmentalists, we had an
20 oil company, we had various people from different communities
21 who helped put this together. And the person from this general
22 area was Frank Stein back here. He came down and worked on it
23 with us, and I'd like to have Frank just kind of explain what
24 they went through to help us get to the point we're at right
25 now. Frank?

PUBLIC TESTIMONY OF MR. FRANK STEIN

Good afternoon. I really didn't expect to give any kind of presentation to any group of people. I just came here to listen. I was invited here. But I would be happy to try to explain what we were doing when we were looking at the five-year program.

I think he explained the various basins that we looked at, and where -- when the proposed lease sales were going to take place. If I remember right, on the Chukchi Sea and the Hope Basin really were direct in front of our community. So I had talked with the Mayor and other Borough personnel, and he had asked me to serve on that task force and see if we could get that moved over to the -- into the next five-year cycle. In other words, it was coming up; I think it would have been up for sale on this year.

MS. CASEY: That's correct.

BY MR. STEIN (Resuming):

And then so, we were successful in making that argument. Okay. That doesn't mean that we can -- they won't return, but they'll at least -- it's not proposed for sale now until 2002.

To make it harder, I think we should combine the Hope Basin and the Chukchi Sea. Also I propose that you do time in Russia over there. There's a basin in here that's going to tie into that. (Indiscernible) what we looked at with actually

1 doing a combined sale, a possible combined sale, because what
2 they told us in this -- for these two areas, that the Hope
3 Basin has, you know, the same strata as the Prudhoe Bay area, a
4 little bit of that in the Chukchi Sea area. But there's not
5 enough of a prospect at this time for the industry to be
6 interested. That made us happy.

7 MR. BROCK: Mm hmm (affirmative).

8 BY MR. STEIN (Resuming):

9 Because we were told -- we don't want any oil
10 development at this time. We need more time, and there's a lot
11 of technology out there that we could at it to make it safer
12 for the environment that they're going to be directly working.

13 We know that off of the Beaufort Sea area, you know,
14 of those offshore drilling rigs that they have there down in
15 Cook Inlet area, they have those oil drill rigs. We know that
16 they're fairly safe. What we don't know is if something
17 happened just like this time of the year, a big chunk of ice
18 hit one of those and knocks it up, what happens? What if
19 there's a big spill?

20 There's no technology to tell us -- to let us know or
21 to guarantee us that cleanup would be successful. Our people
22 are saying prove it to us. The industry is saying we can do
23 it, but all that which is talk. So what we wanted to do was to
24 keep on watching this area over here in the Beaufort Sea area
25 and how -- to watch how they're operating. We know that it's

1 safe for development to take place and stay in tune with the
2 environment.

3 What I'm saying, on the Beaufort Sea and the Hope
4 Basin section is it's the same. And I'm indicating that the --
5 they have the same stratus that there's very likely an area
6 where there would be oil in that area. All of the ground, you
7 know, when they drill down in, down into sea bed and go down,
8 everything that they found when they were looking at a
9 discovery in Hope -- in Prudhoe Bay, is also present in those
10 areas, so they think there's oil in there.

11 And -- but industry is slow to move. They're not --
12 I think, and correct me if I'm wrong, is that on the Chukchi
13 Sea they had a lease and a sale and they never -- I think it's
14 up this year or.....

15 MR. BROCK: All the leases have been expired in that
16 area.

17 MR. STEIN: All the leases have expired.....

18 MR. BROCK: There is -- nobody owns a lease in that
19 area.

20 MR. STEIN:this year, and they just let it
21 lapse. Nobody's willing at this time to come forward and make
22 a development in that area.

23 MR. BROCK: That's correct.

24 BY MR. STEIN (Resuming):

25 Or take a chance in -- at this, because they say that

1 there -- there's too high of a risk. Well, two ways. You've
2 heard of the Russian side that the development of the northern
3 region that they have a lot oil back in there? Well, that
4 whole thing is a belt that goes all the way over. That's why
5 the combined sale to make it more attractive sometimes in the
6 future or to do that sale. That's what they're trying to look
7 at, to see if it might become -- make it feasible or whatever.

8 When we looked at this whole thing or looked at what
9 we were afraid of, we started to look at the Norton Basin and
10 Navarin Basin, the Hope Basin and this other St. Matthew Basin.
11 If we let it, it keeps coming down, pretty soon we're going to
12 be engulfed in it. What our -- what we want to proceed --
13 what's important to growth, instead be able to be assured the
14 technology that's taking place for a safe operation.

15 Now the other areas that you're looking at from the
16 year '97 through 2002, we were successful to move the Hope
17 Basin down further, the Chukchi Sea combined, to 2002. When
18 that comes around during this or the next five years, if we
19 still feel the same way about this, then we better get our act
20 together and be able to get the same thing and move it to 2007,
21 you know, we can keep moving it up if we want to. That's why
22 these hearings, see how you people feel about it.

23 The other area that we really explored and looked at
24 in conjunction with this -- and I don't know if too many people
25 ever really heard about this, is that the impact from the

1 development in the area, the sharing of the money that's
2 supposed to be taking place. Any area that's developed in this
3 region, the people of the villages and the developed -- nearest
4 the development for on-shore drilling, and they impacted on
5 this area -- is supposed to be shared.

6 We really stressed on that to make sure that at some
7 point that should be recognized, and for what purposes. And I
8 ask Art to continue to pursue that. And I think it's really
9 something that the task force -- the original task force -- we
10 were really concerned about. Because a lot of these villages
11 up this way, we don't know -- they don't know what the benefit
12 things they got other than development and its impact itself.
13 Okay.

14 There's a lot of us -- you know, you've heard of Cook
15 Inlet area. But we don't know. Nobody's able to identify how
16 much really went to -- how much really went to each community
17 that's impacted. Some of the areas that we know that never got
18 anything from offshore development. So those are some of the
19 things that, you know, we need to keep abreast of and try to
20 know what's going on.

21 I'm glad to see, you know, you people right there.
22 It shows that you care what's happening in your community, all
23 around your community, and that's how you're going to have
24 control of it. I think if I could answer any questions if
25 anybody had. Okay. Thank you.

1 MR. BROCK: Thanks, Frank. And I -- anywhere along
2 the line, if you have any questions, don't hesitate to flag me
3 down and ask them because we're here, just as Frank said, to
4 get your viewpoint. And Frank's the one that suggested we have
5 the hearing here instead of having it in Kotzebue.

6 We wanted to have one in -- or, I'm sorry. We wanted
7 to have one in this area and, you know, our first reaction was
8 well, we can go to Kotzebue with it. And Art says no, let's
9 have it up in Kivalina because that's where the -- that's the
10 village nearest the area so let's go there and have it. And as
11 Frank said, Art is going to be taking on the role of the task
12 force -- Stakeholders Task Force representative for this area.

13 Due to Frank's heavy workload, he had to back off of
14 that. And so Art's going to be occasionally helping us out
15 there. And we are going to be having a meeting with that
16 group, I believe it's set for May 6th, to give them the
17 information we got from the public hearings and the other
18 places to let them proceed and give us some further
19 recommendations.

20 Anywhere along the line after we get started, if we
21 can answer any questions or anything, I really want to
22 encourage you to ask them. All the testimony will be recorded,
23 and if you have a written statement, if you'd give that to Rich
24 that would be great, or to one of us. But everything will be
25 recorded that's said here today and so you will be on record on

1 anything you want to say.

2 The official comment period for this draft EIS, and
3 the Draft Environmental Impact Statement is what we're here to
4 talk about. What the Draft Environmental Impact Statement does
5 is it looks at what's the effect of having lease sales in these
6 five areas offshore Alaska, plus it includes the Lower 48,
7 offshore the Gulf of Mexico area too, so it's more than just
8 offshore Alaska. It's the entire Minerals Management Service
9 program, but the sections in there about Alaska are the ones
10 that we're basically here to talk about.

11 Now the comment period closes on May 9th, and until
12 then we'll accept any written comments that you have or respond
13 to any questions you might have on that. With that, I would
14 like to ask is there any question. Frank?

15 MR. STEIN: The question that I have is -- and I sat
16 down just a couple of minutes ago and -- maybe a minute ago --
17 was that you'd be willing -- you'd be taking written comments?
18 And.....

19 MR. BROCK: Yes.

20 MR. STEIN:I was just wondering what the
21 deadline for that.

22 MR. BROCK: The deadlines for written comments is May
23 9th. The address is right here in the Environmental Impact
24 Statement. It's just the Department of Interior, Minerals
25 Management Service, 381 Eldon Street, Herndon, Virginia 22070,

1 or you can give them to me and I will get them in.

2 You can call either Phyllis, Ray or myself at 271-
3 6045 in Anchorage, and we'll be sure that we get your comments
4 and get them into the document if you can get them there before
5 May 9th. so you can go either straight to Washington, D.C.
6 with them or you can just give them to us and we'll get them
7 in. It doesn't make -- whatever's your convenience. Any other
8 questions that you might have?

9 MR. OSCAR SWAN: Yeah, I'm wondering about the.....

10 MR. BROCK: Oscar?

11 MR. OSCAR SWAN:about the Tesoro oil in
12 Anchorage.

13 MR. BROCK: Tesoro?

14 MR. OSCAR SWAN: Yeah. Where does it come from? I
15 mean, where is that oil engaged, Tesoro Oil Company?

16 MR. BROCK: Any oil that is refined -- and correct me
17 if I'm wrong, Ray -- but I believe that any oil that is refined
18 in the state is refined down at Kenai or up, I think there's a
19 small refinery up in North Pole outside of Fairbanks. And I
20 believe that's Tesoro's refinery there at North Pole if I
21 remember right. And that comes -- I believe they get their oil
22 out of the pipeline.

23 MR. OSCAR SWAN: Oh.

24 MR. BROCK: And then there is a refinery at Nikiski
25 down by Kenai that gets the.....

1 AUDIENCE SPEAKER: I wasn't sure about the one in
2 North Pole. I know that the -- that on the Kenai, there's
3 where the Tesoro comes through.

4 MR. BROCK: Okay. Maybe the one in North Pole -- I
5 thought it still operated. I know they did at one time and I
6 thought they got it out of pipeline, but I'm not positive of
7 that, but then they do have it down on the Kenai. They do
8 have -- out in the Cook Inlet, they had it off the Swanson
9 River fields there on the Kenai Peninsula, they get their oil,
10 plus they bring around some oil. They tanker it around from
11 Valdez into those refineries also.

12 MR. EMERSON: And Trading Bay.

13 MR. BROCK: Yeah, and Trading Bay. You say it,
14 Frank. I'll be back to you. Yes, sir?

15 MR. JOE SWAN: You know, would you explain a little
16 bit more between Beluga Point there?

17 MR. BROCK: The Point area is not in the program.
18 The area that's in white is not considered for lease anymore,
19 at this point in time. What we're talking about is from the
20 year 1997 to 2002, we're considering putting lease sales up in
21 these areas in blue. These areas cannot be expanded once --
22 from now on. There is no expansion in these areas. They can
23 only get smaller and they can drop off, they can't be expanded.
24 Frank?

25 MR. STEIN: I think all the -- all of the oil

1 refineries, just to lay some facts, are all down in the state
2 of Washington. All of the others are straight (indiscernible)
3 plants.

4 MR. BROCK: I thought they did some refining in
5 Kenai; that not right?

6 MR. STEIN: Not that I know of.

7 MR. BROCK: Okay, maybe they don't. I'm not in that
8 end of it, so I don't keep up with that. I thought they did.

9 MR. STEIN: They have -- when I say.....

10 (Simultaneous speech)

11 MR. STEIN:(indiscernible) plants that they
12 (indiscernible) straight from Prudhoe and (indiscernible) all
13 the way down the (indiscernible).

14 MR. BROCK: Right.

15 MR. STEIN: (Indiscernible.)

16 MR. BROCK: I see. Okay. Any other questions or
17 com- -- yes, sir. Lowell?

18 MR. SAGE, SR.: The second from the right, could you
19 explain that?

20 MR. BROCK: This one?

21 MR. SAGE, SR.: Yeah. Right there.

22 MR. BROCK: Okay. In other words, here you've got
23 Point Hope, Cape Thompson and Kivalina. This is the shoreline.
24 The area that's being considered for possible inclusion is this
25 area in green which goes up to the Russian boundary. But it

1 starts -- each one of these little blocks out here is three
2 miles by three miles. So you're talking about one, two, three,
3 four, five, six, seven, eight, nine -- you're talking somewhere
4 in the neighborhood of 25 to 30 miles off the shore.

5 The first three miles, from the shoreline out three
6 miles is state-owned and administered. We start three miles
7 offshore and go seaward to that. So -- and if an oil company
8 buys a lease, if this gets down actually to a lease, they buy a
9 lease on a three mile by three mile block, so that's what this
10 represents. These are the blocks that they can -- there's no
11 stakes in the ground put there. They're located by latitude
12 and longitude of where these are and they bid on these
13 individual blocks.

14 Now, the program, for example, as I said, we don't do
15 anything within three miles. The process then, if these
16 sales -- if we go forward with this program as it's set up,
17 then we'll start out on each particular sale. Let's just say
18 that if we decide this is the program we're going to go ahead
19 with. And Hope Basin and Chukchi Sea is on the schedule for
20 2002, about mid-1999, we'll put out what we refer to a call for
21 nominations and comments.

22 And that is a -- we'll be asking the oil and gas
23 industry which one of these -- where in this area and in this
24 Chukchi area that's in green, would you as oil companies like
25 to lease? Where do you think the prospects are? And as Frank

1 said, we'll probably work that in conjunction with the
2 Russians, although no decision has been made along that line.
3 That was a proposal once before and that's a possibility. But
4 we'll be asking along this and this area, what areas would you
5 like to lease.

6 The second -- and at the same time, we'll be sending
7 the same document out to you people, to Kotzebue, to the state
8 of Alaska and anybody else that's saying, hey, where are your
9 concerns and what are your concerns out here in this area? And
10 we start gathering information on that specific lease sale.

11 And then we'll come out and meet with you, and say
12 okay, this is what we've decided to -- this is the area we're
13 looking at for possible lease, now what we want to do is to
14 find out what your concerns are to make sure that we get it in
15 the Environmental Impact Statement. Then we'll write the Draft
16 Environmental Impact Statement and then we'll hold a public
17 hearing on that specific lease sale, right to final -- if the
18 decision is to go ahead with it, then somewhere in the year
19 2002, probably somewhere late in that year, we could have the
20 lease sale.

21 But that's a -- in other words, it's another process
22 that we go through on each individual sale. Here, we're just
23 talking about the program as a whole. Did that answer your
24 question -- probably about three times more than you wanted,
25 but -- do we have any other questions?

1 AUDIENCE SPEAKER: We know nothing on that area
2 anyway as far south.

3 MR. BROCK: Well.....

4 AUDIENCE SPEAKER: It's just a line. Because this
5 line is pretty close -- right there (indiscernible) to give
6 lease sale to oil companies, people start building around
7 there.

8 MR. BROCK: You say you do nothing on the area
9 anyway?

10 AUDIENCE SPEAKER: Mm hmm (affirmative).

11 MR. BROCK: Well, it -- yeah, it's 30 miles.....

12 AUDIENCE SPEAKER: Myself, I would say no. I would
13 like to have it just the way it is, like this.

14 MR. BROCK: Oh, like it is now?

15 AUDIENCE SPEAKER: Yeah.

16 MR. BROCK: Oh, I'm sorry, I misunderstood. I
17 thought you meant that it wasn't a problem because you didn't
18 do anything out there anyway. Okay. Well that, you know,
19 that's what we're interested in, in comments at this time.

20 And like I say, if we do decide to keep it on the
21 schedule, we'll be back on the individual lease sales. But no
22 decision has been made at this point in time to keep it on the
23 schedule. So that means that even if it does stay on the
24 schedule -- well, we go through it all again, and no decision
25 has been made to have a lease sale at all. But that's what

1 we're -- so we'll be back again if we do keep it on the
2 schedule. Yes, sir, Frank?

3 FURTHER TESTIMONY OF MR. FRANK STEIN

4 Maybe what you could explain a little bit on this is
5 why they're on the bidding block. Or maybe I could.....

6 MR. BROCK: Okay.

7 BY MR. STEIN:

8 What happened before is that how these got on the
9 bidding block basically was -- was that there was enough
10 interest -- the state felt, and the federal government felt,
11 that there was enough interest by the oil industry to be -- and
12 they identified these areas to go up on sale.

13 I am of the same -- I feel the same way about it, and
14 I'm sure that Point Hope feels the same way about it. That's
15 why Mr. Green asked me to be a part of this task force
16 originally so that we could move at -- and what I'm -- what I
17 said a while ago, if we still feel the same way five years from
18 now, or in 1999 when they start through the sale or the lease
19 process, they have to hold another public hearing just like
20 this. Only specifically on that sale, we can oppose it then.

21 I think, and we need to keep track of it and only
22 through these type of hearings can they understand your
23 feelings. If we just stay home and not say nothing, and when
24 we -- when everything is over, I'm against it, nobody hears us.
25 Just like talking to a wall right in front of you, or not

1 saying anything.

2 So when we have these hearings, it's important for us
3 to hear your concerns. So even from the Borough level, this is
4 what our people want, that's what we -- and it gives us a lot
5 of strength. It gives us backing when we can say those kind of
6 things for you or on your behalf.

7 MR. BROCK: And that carries a lot of weight with us
8 too. And that's -- now there are some alternatives. For
9 example, one of the alternatives in this five-year program is
10 to delete this area. That's one of the options that's being
11 considered.

12 As we proceed along, if it does stay on, there's --
13 one of the questions that we'd be asking when we come back from
14 this specific lease sale is, is there a portion of that area
15 that should be deleted and the rest of it could stay in? Or is
16 there some potential mitigating measurements, some potential
17 requirements that we could put on the industry that would make
18 that more acceptable to you?

19 In other words, once we start we're going to be back
20 and talking to you frequently and trying to work with you, and
21 seeing if there's any way that we can build some consensus. If
22 we can't, then there would be a decision that would have to be
23 made, but we're really out to see if we can build any kind of
24 consensus as we proceed with this sale, or at this time, we
25 proceed with the program. We're looking at that and we -- and

1 to see whether or not it will stay in the lease sale itself.

2 Is there any other questions, or would you like to
3 make some comments? What's your pleasure here? We're
4 approaching the time that people have to go to the city council
5 meeting, so -- I don't want to take all their time with me
6 talking. Would somebody like to make any comments? Yes, sir?

7 PUBLIC TESTIMONY OF MR. LOWELL SAGE, SR.

8 The way it looks that the Hope Basin area, Point Hope
9 area is more further than Kivalina. And we really -- every
10 year we depend on the ocean, you know. No matter how far out
11 it is. We depend on it. And we have some other kids coming
12 after us. And more than likely there's more young people that
13 say yes. Yes, go ahead and sell it. But for us who like to
14 hunt and depend on the ocean, that's too close. And we depend
15 on it even just today, this month. We're looking at the ocean
16 for our annual hunting.

17 MR. BROCK: Mm hmm (affirmative).

18 BY MR. LOWELL SAGE, SR. (Resuming):

19 And it so happens that you guys come back in 2002 and
20 say well, we sold (indiscernible) and now you got some work.
21 You know, I never did want work. We didn't want work. I think
22 (indiscernible) people to work docks. (Indiscernible.) I
23 spent two years in Kenai with this (indiscernible), just like
24 that, you know.

25 MR. BROCK: Right.

1 BY MR. LOWELL SAGE, SR. (Resuming):

2 You -- you've got to have something in your mind to
3 show them that you can work. You came up here and down in
4 Kenai or up in the North Slope. I, for one (indiscernible).
5 I mean Hope Basin.

6 MR. BROCK: Okay.

7 MR. LOWELL SAGE, SR.: That's my comment about it.

8 MR. BROCK: Thank you. Yes, sir?

9 MR. JOE SWAN: Yeah. We don't know anything
10 about.....

11 MR. BROCK: What's your name, sir?

12 MR. JOE SWAN:technology or anything like that.

13 COURT REPORTER: Joe. I got his name.

14 FURTHER TESTIMONY OF MR. JOE SWAN, SR.

15 The experience that I had is when they were building
16 the dock on over at the port site.....

17 MR. BROCK: Mm hmm (affirmative).

18 BY MR. SWAN (Resuming):

19they will not disturb the sea mammal. We never
20 did tell them; the mammal that travels with the ice didn't
21 bother them that much. But the summertime, in July, might
22 bring belugas. Ever since they build that dock over there,
23 we -- they were saying it will not disturb the migrating
24 belugas or any mammal, but it did. We never see no beluga come
25 in from that side in the summertime, ever since they build that

1 dock over there.

2 We probably will never know what's going to happen
3 because they told us that it will not disturb the migrating
4 mammal, which never works. They thought they know better. I
5 thought they know better than us. They're just -- they're
6 experienced people and they got the -- what they call --
7 anyway, they -- the one that studied the animals, the migrating
8 animals, those kind of people studied that. And they said they
9 will not disturb the sea mammal which never worked. We never
10 see not one beluga follow the shore ever since they build that
11 dock over there, in the summertime.

12 MR. BROCK: Even this far down?

13 MR. SWAN: Pardon me?

14 MR. BROCK: Even this far from the dock?

15 BY MR. JOE SWAN, SR. (Resuming):

16 What they do is they pick up a different pattern
17 because they were -- they could not go through the noise on
18 summertime. Wintertime it's okay, because they -- belugas and
19 whales travel through broken ice. They don't go through one
20 pattern. But if it was blocked, and if the patterns change on
21 the migrating whale, the belugas, we'll never see them. That's
22 why, like Frank says, they got a technology just for the August
23 hunt. I hope they come up with something that we won't --
24 we'll be satisfied with. We only live by subsistence.

25 MR. BROCK: Right.

1 BY MR. JOE SWAN, SR. (Resuming):

2 We're not against drilling offshore, but we are
3 concerned too. We're not against drilling oil or whatever.
4 They must understand us too who live in the coast.

5 MR. BROCK: That's correct.

6 MR. JOE SWAN, SR.: We don't have a supermarket. We
7 don't have a.....

8 MR. BROCK: Okay. Well, that's -- like I say, that's
9 why we're here, is to find out those concerns, and that's a --
10 Frank.

11 FURTHER TESTIMONY OF MR. FRANK STEIN

12 What I wanted to do was make a point because -- of
13 clarification of Joe maybe, and maybe for the MMS personnel
14 too. So that what we're trying to do is trying to get
15 clarification on what is called due deference. In other words,
16 that the -- you need the expertise, the local expertise, to get
17 an opinion or have an effect on the decision making process.

18 Now, Joe, I have to tell you, no matter what kind of
19 piece of paper the other guys have on the other side, what --
20 their declared scientists, oceanographers or whatever they are,
21 you are the experts of this area. They're just the visitors
22 trying to gather data to come to some kind of conclusion.
23 That's what we have to try to prove to the federal government
24 and to the state so that your views are taken as expert advice
25 to come to some kind of conclusion. Thank you very much.

1 MR. BROCK: I want to emphasize that. In fact, as
2 we -- just as a clarification point here, we've been working
3 very close on the present Beaufort Sea sale that we're working
4 on for this summer. We've been working very close with the
5 North Slope Borough to put in some things that are mitigating
6 measures, that we have -- to bring things to a consensus
7 building. And if not, we have a conflict resolution group that
8 gets together to work it out. It's not just to give some
9 advice to the regional supervisor that makes that decision, so
10 we are working very close with the local people to work out
11 those kind of concerns.

12 Anybody else have a comment? Yes, sir? Could we get
13 your name?

14 MR. RAYMOND HAWLEY: Raymond Hawley.

15 MR. BROCK: Go ahead.

16 MR. RAYMOND HAWLEY: Like what time of the year would
17 you be out there working on this? Like would it be June or off
18 and on? What's the start?

19 MR. BROCK: If we held the lease sale in 2002.....

20 MR. HAWLEY: Yeah. That's what I.....

21 MR. BROCK:I believe that more than likely that
22 it would probably -- within the next -- they usually have up to
23 ten years to do the exploration. It's on a five-year and, but
24 a lot of times we give -- well, the north of the chain we
25 normally issue 10-year leases. So they'll have anytime in

1 that -- usually in that first 10 years they could do
2 exploration. That will probably be a summertime effort, I
3 would guess. I don't know that for a fact, but I would assume
4 it would be a summertime effort because it normally is.

5 And then of course, if they would strike something
6 and develop it then it would be year-round, but for the
7 exploration phase it would more than likely be a summertime
8 operation and the development phase would probably take five to
9 ten years after they discovered something before they would
10 ever get it in.

11 Again, it depends on how big it is and things like
12 that, but that would be the -- it's -- in other words, it's
13 something that's not going to happen the day after we got the
14 sale. They're not going to come in and start pumping oil, I
15 mean, because there's a lot of exploration and then there will
16 be quite a lead time on development before they would -- but
17 probably the exploration would take place during the
18 summertime.

19 Anything more?

20 MR. HAWLEY: Maybe later.

21 MR. BROCK: Okay.

22 MR. SWAN: Let me explain a little bit.

23 (Interpreter translating)

24 MR. BROCK: Thank you. For those of you that had to
25 leave for the city council meeting, it's now 2:00 o'clock, but

1 I'm not trying to -- I just wanted to keep you aware of that.
2 but it's -- anybody else got a comment?

3 MR. ORAN KNOX: Maybe before 1999, they should get
4 the group from of senators from Point Hope, Kivalina and have a
5 meeting over there in Kotzebue and talk about that. Get
6 together from Point Hope, Kivalina and Kotzebue and see what
7 they say, from each village.

8 MR. EMERSON: Mm hmm (affirmative).

9 MR. BROCK: From each village have a representative?

10 MR. KNOX: Before 1999.

11 MR. BROCK: Before 1999?

12 MR. KNOX: Yes.

13 MR. EMERSON: We would do that. Let's.....

14 MR. KNOX: From this place and one village Point Hope
15 and Kotzebue.

16 MR. BROCK: Well, you know, that -- or at least
17 during scoping, we'd be back out to all of those villages, to
18 all of the villages from Point Hope down. The fact is,
19 actually we'd be -- probably from -- what's the one
20 point?

21 MR. EMERSON: Barrow.

22 MR. BROCK: Well, it probably wouldn't be from --
23 yeah, I'd say Barrow -- literally all of these villages would
24 be involved in the scoping, so we would get together with all
25 of those, yes.

1 MS. CASEY: Bob, you might briefly explain that we
2 did have a hearing in Barrow and the teleconference, again,
3 Point Hope, Point Lay and Wainwright also.

4 MR. BROCK: Yeah. Now this is the fifth hearing
5 we've had on this process. The first hearing we had was in
6 Barrow and we had the -- we utilized the North Slope Borough's
7 telecommunication system and we had the five villages hooked
8 up. We had Point Lay, Point Hope, Wainwright, Kaktovik, and
9 Nuiqsut all hooked up with our public hearing. So we have
10 talked to them already.

11 MS. CASEY: And then we here.....

12 MR. SWAN: If I may comment on that. Or are you
13 here -- if we come -- if you and I were to be -- to see 1999
14 come around. And you remind us why because I would work with
15 the Borough. Let us know what you want because we can try to
16 help in that area, from the borough. And I think we -- we look
17 at the whole thing.

18 If we want to have an impact on -- on that decision
19 whether to delete it or avoid the decision or maybe work the
20 industry or something. We can try to have our people
21 participate with the North Slope people. Some of us are kind
22 of concerned but please remind us about it. We need to be
23 reminded about those things to let you know how we feel.

24 MR. KNOX: It's better to work together, you know.

25 MR. SWAN: Right.

1 MR. BROCK: That's right.

2 MR. KNOX: And maybe some -- maybe there's some kind
3 of ideas than us.

4 MS. DAVIS: There's a real, real high grade oil down
5 there. Some of the -- it's not anywhere else in the world.
6 It's over there. That's what we all use to.....

7 MR. BROCK: Yeah.

8 MS. DAVIS: You don't even have to burn it. It just
9 goes for a long time so it's very.....

10 (Simultaneous speech)

11 MS. DAVIS: I know my footprint (indiscernible)
12 highest grades possible of fuel that's (indiscernible).
13 (Indiscernible) when ships collide (indiscernible).

14 MR. BROCK: Hmm.

15 MS. DAVIS: And it's the only spot in the world that
16 has that grade.

17 MR. BROCK: Any other comments? Did you want to make
18 some.....

19 MR. CONRAD KOENIG: I've got a question.

20 MR. BROCK: Sure. Can you talk just a little closer
21 so we can be sure and hear you. We want to be sure and pick it
22 up on the speaker -- or on the tape.

23 MR. CONRAD KOENIG: I'm Conrad. I'm from Kotzebue.
24 I work with Kotzebue (indiscernible.) The Hope Basin goes down
25 to the tip of Seward Peninsula?

1 MR. BROCK: What, right there, you mean?

2 MR. CONRAD KOENIG: Right.

3 MR. BROCK: Yeah, that stuff, that's the Hope Basin
4 plan area. The only thing that's being considered is the blue.

5 MR. CONRAD KOENIG: Okay. So basically, only that
6 area in blue, that's what's going to be included in the plan.

7 MR. BROCK: Right. We cannot expand that at this
8 point. We can reduce it, but we can't take and include
9 anything else. The proposal is not to include -- at this
10 point, we're not even considering this white area.

11 MR. CONRAD KOENIG: Okay. That's good. We talked
12 about this at the IRA conference, talked about it and they made
13 the decision with the understanding that the Hope Bas- -- the
14 entire Hope Basin area was under consideration.

15 Knowing now that there's some of the northern part I
16 think I ought to go back and talk to them. I think they're
17 going to want to want to know what Kivalina feels about it
18 before they make a decision.

19 But is it possible to change the alternatives? Right
20 now there's no alternatives, but to come up with an initial
21 alternative that excludes Hope Basin and Chukchi?

22 MR. BROCK: Sure

23 MR. CONRAD KOENIG: Because right now, the only
24 choice, if people don't want to see drilling in Chukchi/Hope
25 Basin, they got to choose a no-action alternative, which means

1 that -- implies that we're against drilling in Mexico and
2 drilling in.....

3 MR. BROCK: Right. No, you can just write that into
4 your comments. That's not one of the alternatives. All the
5 alternatives mean are, when you read the Environmental Impact
6 Statement, the effects of that alternative are analyzed. We
7 didn't analyze the effects by just omitting Hope Basin or
8 Chukchi at this point in time, and so that's all of the
9 established alternatives. There's an analysis done in the
10 Environmental Impact Statement on what the effects of leaving
11 those areas out of the proposal would be. But no, in your
12 comments you can make any suggestions that you would like to.
13 You're not limited.

14 MR. CONRAD KOENIG: Okay. I came up here because we
15 were going to oppose it, being from Kotzebue, because we
16 thought that the area right around Kotzebue was going to be
17 included for consideration. But now that I understand it's
18 actually from Kivalina on up. So I think we'll wait a
19 while.....

20 (Simultaneous speech)

21 MR. BROCK: And it's 30 miles off shore.

22 MR. CONRAD KOENIG: Correct.

23 MR. BROCK: Roughly 30 miles. Any other comments?

24 MR. ART IVANOFF: Yeah, I've got a question here. I
25 was just looking at the blocks and I was wondering if you could

1 tell me the acres in each block.

2 MR. BROCK: 5,760 roughly, I mean, that's -- on a
3 full block it's 5,760, which is what most of them are.

4 MR. IVANOFF: So there's 5,700 acres?

5 MR. BROCK: 5,760 acres, right, three miles on the
6 side.

7 MR. IVANOFF: I've got another question here. The --
8 the federal OCS program, that Alaska covers 1.3 billion acres,
9 more than half the entire U.S. OCS area. Throughout Alaska, 98
10 billion acres have been offered in federal OCS lease sales
11 since 1976. And leases covering 8 million acres have actually
12 been sold, and both the Beaufort and Chukchi Sea comprise over
13 50 percent of the OCS in Alaska.

14 Arctic federal OCS sale offerings grew ex- --
15 proportionately during the past decade from 143,423 acres
16 offered in 1979, to 43.9 million acres in two -- in two lease
17 sales held here in 1988, and I was just wondering why is Alaska
18 being focused so heavily on OCS development?

19 MR. BROCK: Well, number one, Alaska is, like you
20 said, has got most of the offshore acreage, and of course,
21 those acres that you were reading there go clear up into 200
22 miles offshore basically, in most areas -- so they're very
23 large. An example, in the Gulf of Mexico, the Gulf of Mexico
24 is -- they have three planning areas, and each one of them
25 are -- I believe that they would be, each one of them would be

1 smaller than the Chukchi or maybe about that same size.

2 So in other words, as you can see, there's a
3 tremendous amount more area here and it's -- but we're not
4 offering anymore -- the original sales that were held in the
5 Chukchi and the Beaufort were very large sales, but the
6 companies didn't bid on the very small area. At one point in
7 time, there were about 1,500, about 1,580 -- is that.....

8 MS. CASEY: Yeah, 1,546.

9 MR. BROCK: Okay. 1,546 leases offshore state of
10 Alaska. That's the most we ever had, total that we've had. In
11 other words, we've offered I would assume somewhere over 25
12 million acres offshore Alaska. We've had leases on 1,500 of
13 them, which times 5,000 is -- I don't have that figure right
14 off the top of my head. But we've only had 1,500 leases and
15 they've drilled 88 holes, and they've had five announced
16 discoveries all around Prudhoe Bay.

17 So it's a large area, but the oil companies haven't
18 leased that much area offshore Alaska. Is that -- I don't know
19 if that answers your question or not.

20 I don't think Alaska's being targeted. It's just
21 that these were some of the more prospective areas in the
22 Chukchi and the Beaufort when they first started. Now they've
23 drilled an awful lot of dry holes, and they've had some shows
24 but not enough to make it worth while to develop at the cost it
25 would take to develop.

1 MS. CASEY: All right. For example, in the Chukchi
2 Sea, when we had our first lease sale, 109, we were offering --
3 over 4,500 blocks in that lease sale were offered for sale.
4 The companies leased 350 blocks, and of those 350 blocks only
5 four wells were drilled. All of those leases are gone now,
6 just for that sale. Then we have the sale on 126 as well.

7 MR. BROCK: And in addition to that, during the 80s
8 we had what we called an area-wide leasing program. In other
9 words, we had the entire area and we wrote the Environmental
10 Impact Statement on the entire area, and we went ahead with the
11 lease sale on that entire area.

12 In the early 1990s, we went to what we call a focus
13 leasing program, which was to narrow this down so that we
14 weren't offering a lot of area that first off, that nobody was
15 interested in, and it raised a lot of concerns from people that
16 used the area. So we're trying to focus it down and only offer
17 the areas number one, that the companies are interested in, and
18 number two, are the least conflicting with the people along the
19 shoreline. So we are focused on that a lot more.

20 MR. IVANOFF: Also, MMS has brought the minimum bid
21 for lease blocks from 150 per acre to 25 per acre in 1987, and
22 leased a record 1.9 million acres in the Chukchi Sea sale. And
23 it seems like since the value has been reduced so low from 150
24 to 25, it seems like we're really stretching to try to get the
25 oil industry interested in some of the lease sales out here.

1 MR. BROCK: Well, when you consider \$25 an acre, the
2 minimum bid on one of these blocks is still \$144,000. That's
3 the minimum bid, and that's what the program originally had
4 back in the 1970s. Some of the areas it was decided to raise
5 that bidding cap to \$150 an acre, but it was not successful,
6 and the law -- here again, I'm quoting -- the law says that one
7 of the jobs that we have is to inventory the area and so what
8 we're trying to do is find out what resources we have out
9 there. That's one of the requirements of the law.

10 MR. IVANOFF: But what criteria is used to judge
11 development of the acres? If it's 150, is it -- well, I'm just
12 wondering if, in the Kenai Peninsula they've got a different
13 rate as opposed to in the Chukchi?

14 MR. BROCK: Well, the \$25 is a minimum bid. That's
15 the -- now we do a geophysical, geological geophysical work on
16 the area and we try to evaluate how much oil is there prior to
17 the bidding, and so we look at that to see whether or not the
18 company has submitted a bid that is equal to what we think the
19 resources are.

20 Of course, no two people agree on what that value may
21 be, but we have our own geologists that work that, and they
22 have to bid more than what we think it's worth also. We might
23 have a value higher than the \$25 on a particular block, but the
24 minimum is \$25. On a particular block, we may have the
25 value -- we have turned down bids of -- I can remember one bid

1 we turned down, I believe it was \$15 million on one block
2 because we thought it was worth more than that. And so we have
3 turned down bids that were higher than 144,000 because we think
4 they're worth more than that, but we do our evaluations.

5 MR. IVANOFF: Okay. And you look at the Bristol Bay
6 and the leasing for that area was dropped because of the outcry
7 from the commercial fishermen. And I suppose that's what you
8 take into consideration in evaluating the value of an acre?

9 MR. BROCK: Well, no. The value of the acre is
10 strictly what we see as far as oil and gas is concerned. Now
11 whether or not it goes ahead with the lease, other values are
12 considered. But when we get down to evaluating what the value
13 of that block is against a company bid, we're only talking
14 about at that point the value of what we think is there as far
15 as the oil and gas reserves are concerned. The other values
16 are considered in the Environmental Impact Statement and things
17 like that, but there's two distinct different value
18 determinations that are made. Yes, sir?

19 MR. JOE SWAN, SR.: Yes. It'll take only a minute.
20 I'm off to sea going off whaling.

21 MR. BROCK: Okay.

22 MR. JOE SWAN: For the whale.

23 MR. BROCK: Good luck.

24 MR. JOE SWAN: We had a concern about the -- I have a
25 concern about the whale migration because you see a lot of

1 times this -- this blue line is where it's blocking. We're --
2 we'll be off whaling for stray whales, which their pattern is
3 on straight to Point Hope, in one line there.

4 We'll be looking for stray whale that went off the
5 line -- go in -- into the bay. That's why -- that's my
6 concern. That if it's a third or the fourth of month, that
7 would be violate for you to.....

8 MR. BROCK: Okay. Well, if this sale stays on the
9 proposed schedule, we'll be back up here with a large scale map
10 to see if you can draw us a line of how far do you want this
11 sale to be sure to stay offshore.

12 In other words, for an example, maybe you say well,
13 hey, be sure you don't include anything closer than that, or
14 something like that. In other words, we'll be back up with a
15 large scale map to see if you can show us exactly how far you
16 want to be sure that we stay offshore. That's one possibility.

17 MR. JOE SWAN, SR.: Okay. Thank you.

18 MS. CASEY: Is he saying that they go out 30 to 40
19 miles.....

20 MR. EMERSON: Yeah, that's what he saying. Right.

21 MS. CASEY:and that's why he's concerned that
22 they won't be there?

23 MR. BROCK: And that they go from a straight line, so
24 maybe a corner down here would help that situation. That's a
25 possibility. Any other comments?

1 MR. EMERSON: One of the options is that this -- did
2 you mention that Alternative 4 is the option -- decision option
3 to exclude Hope Basin and Gulf of Alaska, reduce those to sale
4 areas?

5 MR. BROCK: Yeah, that's the two sale.

6 MR. ART IVANOFF: I've got a question -- another
7 question, if you don't mind.

8 MR. BROCK: Sure.

9 MR. ART IVANOFF: I was just wondering if you could
10 maybe tell me what the effects of the Valdez oil was in that
11 area?

12 MR. BROCK: The effects of what?

13 MR. ART IVANOFF: The Exxon Valdez. Would you happen
14 to know what the effects were on the resources, on the people?

15 MR. EMERSON: Most of the effects since the Exxon
16 Valdez in terms of the biological communities as near as we can
17 tell have recovered. The areas that haven't recovered were
18 some of the beaches where they did the most intensive -- tried
19 to clean the oil up with high pressure hot steam.

20 And what happened on those beaches, it drove the oil
21 sediments down deeper into the beach and trapped it down at
22 deeper depths. And some of those beaches have not recovered
23 yet because the high pressure cleaning forced it down. The
24 beaches where there was no actual cleaning have recovered
25 completely as near as we can tell.

1 Probably the biggest, besides the psychological
2 effect to the people, one of the most lasting effects of the
3 Exxon Valdez on the community was like those communities that
4 for example, in Kodiak, that were involved in the cleanup
5 activity. The cleanup money was a lot of money available to
6 help clean up the spill. Some of this money went to individual
7 fishermen to use their boats. They got a lot of money and
8 others didn't, and so what it created was now some people have
9 enough money to buy new boats and those people that weren't a
10 part of the cleanup are still using their older boats.

11 So now you have a community now divided because you
12 have now a wealthier class of fishermen that can catch fish
13 better, go further, have better equipment, and the other type
14 of fisherman, where before they were about equal.

15 So it's up to the communities, we've learned from
16 this, to have -- as a part of our program too is to encourage a
17 contingency plan in place within the community so that if you
18 were called upon to assist in a cleanup activity that there was
19 some kind of equitable, equal distribution of this massive
20 influx of funds that comes to say we want to hire you to help
21 us clean up. So you would want to say that everybody had a
22 fair opportunity to participate in them because there is an
23 awful lot of money that does come into a community from an oil
24 spill.

25 It's not a good thing to happen, but it is going

1 to -- if it did happen, that's one of the potential problems.
2 And that's a lasting effect in Kodiak, for example. How you
3 undo that is something we're trying to study. We have a
4 proposed study now in our environmental studies group, trying
5 to anticipate some of the ramifications of this overall time.
6 Is that helpful?

7 MR. ART IVANOFF: Yes, sir.

8 MS. CASEY: There are also cultural effects too, Art.
9 I can say for the villages of Port Graham and Nanwaluk that
10 were in the area of Cook Inlet that were affected, their
11 concerns were that they don't know what toxins had affected
12 their fish and other resources that they harvest.

13 And so the cultural effect is fear of what that might
14 do to them and that they're eating those resources which
15 they -- that's their subsistence livelihood. So there's that
16 cultural effect as well, and it's hard to measure that.

17 MR. ART IVANOFF: I guess the concern I have is the
18 Division of Subsistence from the Alaska Department of Fish and
19 Game provided this -- did a survey in 1993 here in Kivalina,
20 and they interviewed 72 households and they came up with some
21 data. And here it says composition of wildlife, composition of
22 wild resource harvest in Kivalina in 1992.

23 You look at the distribution of other -- it's got
24 fish at 31 percent, birds and eggs at 1 percent, shellfish at
25 less than 1 percent, and land mammals at 22 percent, oil plants

1 at 2 percent, and salmon at 2 percent. And the biggest chunk
2 of wildlife resource studies used by the people here is the
3 marine mammals, and it composes 42 percent of their diet.

4 The concern I've got is, you know, what kind of
5 effects can we expect from a -- from some kind of
6 contamination, be it an oil spill or whatever? What
7 technologies are available to ensure that an immediate cleanup
8 is available? What contingency plan is there?

9 MR. EMERSON: Those are the issues that we address
10 specifically when there is a proposed lease sale. For example,
11 you may be familiar with the Beaufort lease sale right now,
12 Sale 144. That is a document now that's just in the final
13 stages, the final EIS, where we have addressed specifically the
14 effects on each of the communities in the North Slope, from
15 Kaktovik, Nuiqsut, Barrow, Wainwright, and on over, of a spill
16 affecting those subsistence resources.

17 So when we get to it, if a sale were to occur -- if
18 your sale here, 183, were to occur, there would be a specific
19 document, not this large thing now that addresses the Gulf of
20 Mexico and all the proposed program, it would be a document
21 addressing what the effects are to your community, would be
22 included in that. Okay. We would take that kind of
23 information. That would be developed and discussed in that
24 level of detail at that point.

25 This document we're talking about today is just the

1 five-year program of what lease sales to include and it's kind
2 of general. We don't get into that level of detail at this
3 point. We couldn't, because there's just too much information.

4 MR. IVANOFF: Okay. But will the communities be
5 given an opportunity to stop this process if they feel that the
6 technology is inadequate to address their concerns?

7 MR. BROCK: Well, this is a national program and I
8 don't think I can say that anybody has veto power over the
9 program except the President of the United States. But all
10 concerns are looked at and what we try to do is we try to
11 explain them, we try to work out studies to see if we can
12 compensate for that or whatever. I mean, you know, just -- if
13 there's a concern, we try to make sure that we present the
14 concern.

15 In fact as most people say, that we present the
16 concern much worse than it probably would be, but that's
17 probably a matter of opinion, but we try to present the
18 concerns from what we hear from the people, what our own
19 research tells us, and everything else, and then we try to
20 evaluate what effects that may have and is there any mitigation
21 to that, anyway we can avoid those effects.

22 MR. EMERSON: Let me just add on that. What we're
23 doing now, it's differently with the Beaufort Sea sale for
24 example, and we would do in this next five-year program, is we
25 have the scientific studies that have been done by the

1 university professors and those people that we've contracted,
2 or that have done studies out here.

3 There are also the traditional knowledge that you --
4 the experts that live here are a knowledge base. And you don't
5 need to read those studies to know what you know is out there
6 because this is where you live and where you hunt. So what
7 we're trying to present now is that information on an equal
8 basis. That here are the -- if there's a difference, for
9 example, and in the Beaufort Sea we have some dispute over what
10 the level of disturbance is to a whale moving with respect to
11 industrial noise or something.

12 So our studies show that the effect may be like seven
13 and a half meters at which they -- or kilometers at which they
14 begin to respond to different seismic noises. Well, a hunter
15 may say no, it is more than that. And so where there is a
16 difference, we don't say that the hunter is wrong, and we can't
17 say that our study is necessarily the right study either.

18 There's a lot of variables in these studies and
19 they're hard to conduct and have a really tight conclusion, so
20 what we have to do now is present both sides in the
21 environmental impact statement, and we're looking to cite
22 individuals from the community of their opinion. That is
23 included in the document now.

24 We can't solve that difference, but we do identify
25 it, clarify the differences. So that we can pose then with the

1 industry, with the community leaders, the right mitigation to
2 solve that potential problem, and that's where we try to play a
3 role of facilitator at this point. That's what we're trying to
4 at least do with this forthcoming Beaufort Sea sale.

5 So that it's kind of a, 'Let's identify the
6 differences and let's see if they can be worked out.' If they
7 can't be worked out, there's every possibility that sale would
8 possibly not be allowed to continue until it could.

9 Would you say that it's a fair statement?

10 MR. BROCK: Yeah. No, that's, I mean, we're not --
11 we want to be sure and build as much consensus as possible, and
12 that's -- and we want to take everybody's viewpoint on that.

13 MR. EMERSON: And the idea is also not just with
14 that. We're having -- they're requiring monitoring studies and
15 a peer review of the studies so that it's an ongoing thing. So
16 let's see. We think this is the right answer, let's monitor it
17 and see. If it isn't, we can change it over the development of
18 that particular exploration period or development period, so
19 it's going to be more of an ongoing evaluation process.

20 So what's learned also in that particular type of
21 mitigation that's ongoing now in -- that will be ongoing in the
22 Beaufort Sea hopefully, will help us in dispute resolution if
23 indeed something offshore -- a lease sale should occur here.

24 MS. CASEY: The primary purpose today is to focus on
25 whether or not -- what your concerns are in the community in

1 terms of whether or not the Chukchi Sea/Hope Basin sale should
2 even be on the schedule for consideration, and then go through,
3 as Ray has said, if it does stay on the schedule then we would
4 go through that very detailed environmental impact analysis
5 process again, and ask for more specific comments.

6 And likewise, one of the options was whether or not
7 that's considered in the five-year EIS now, is whether or not
8 Hope Basin should be removed or portions of that area excluded
9 from consideration in the five-year program and separate it
10 out. So that's what we're looking at in terms of you
11 expressing your concerns just for that part of the process
12 going forward.

13 MR. EMERSON: And a knowledge of how we're trying to
14 make the process work now, we would hope you could factor into
15 your decision of whether or not there should be any leasing
16 activity. It's if -- with an understanding of what we're
17 trying to do now with the program, may give you -- give us more
18 confidence as well that we can make the right decisions.

19 MR. IVANOFF: Okay. I was just wondering also if the
20 Department of Environmental Conservation from the state has
21 been involved in the discussions in Beaufort Sea?

22 MR. BROCK: They haven't attended any of the public
23 hearings, but yes, they've.....

24 MR. EMERSON: Indirectly.

25 MR. BROCK:reviewed the document and they will

1 be commenting.

2 MR. EMERSON: Indirectly, through this covenant.

3 MR. BROCK: Every department within the state would
4 be submitting comments I'm sure. And they'll either come into
5 us separately or they'll come in under a -- what's the right
6 word? Anyway, joint state comments.

7 MR. EMERSON: From the governor possibly.

8 MR. BROCK: Any other questions? I'm not trying to
9 rush you, but -- go ahead, Art.

10 MR. IVANOFF: Well, I've got further questions. I
11 was just reading through the.....

12 MR. BROCK: Sure.

13 MR. IVANOFF:EIS, and maybe it was discussed
14 earlier, but, let's see. It goes on. Within the Hope Basin
15 area there are only three coastal communities, Deering,
16 Buckland and Kivalina. And it doesn't mention the fact that
17 Kotzebue is a coastal community and the effects are far-
18 reaching. If an oil spill did occur, you could bet that we'd
19 be feeling the effect there. The people that utilize the
20 resources for their subsistence activities would be affected.

21 MR. EMERSON: We.....

22 MR. BROCK: Kotzebue should have been in there. I
23 don't know.....

24 MR. EMERSON: Yeah.

25 MR. BROCK:why it was left out.

1 MR. EMERSON: And that's part of this process. I
2 appreciate that, and we can update that.

3 MR. BROCK: I'm glad you caught it because we missed
4 it.

5 MR. IVANOFF: 326.

6 AUDIENCE SPEAKER: Section 3.

7 MR. IVANOFF: Section 2, Volume 1 -- Section 3.

8 MR. BROCK: That's a good point.

9 MR. EMERSON: Yes.

10 AUDIENCE SPEAKER: Add that, too, that you could
11 probably cite the harvest data information in Kotzebue like the
12 other communities, that they should be included.

13 MR. BROCK: Okay. Hear that?

14 MR. EMERSON: Mm hmm (affirmative).

15 MR. BROCK: Okay. Good.

16 MR. EMERSON: Yeah, we talked about that.

17 MR. IVANOFF: Okay. I've got another point here. It
18 talks about commercial fisheries on Section III-123,
19 paragraph 3, on the bottom sentence. It goes,

20 "There are no commercial fisheries in the
21 Chukchi Sea and probably no prospects of one
22 because of a lack of fish of the commercial
23 size."

24 I think that Kotzebue fishermen would be a little disappointed
25 to find out that there is no commercial activity off there.

1 There is -- it's limited, but there is activity. And there
2 is -- well, not really within the Chukchi Sea but in the
3 Kotzebue Sound, and you could bet that if an oil spill did
4 occur it would affect them as well.

5 MR. BROCK: Okay. But -- that's a good point, but
6 they don't go out in the Chukchi.....

7 MR. IVANOFF: Chukchi.

8 MR. BROCK:to fish? Okay. That's a good
9 point.....

10 MR. EMERSON: We can.....

11 MR. BROCK:and we should clarify that.

12 MR. EMERSON:add to that. We can add to that.

13 MR. BROCK: Yeah.

14 MR. IVANOFF: I suppose I'd like to add one other
15 thing, and it has to do with traditional knowledge. If I can
16 now just read what I've got here.

17 MR. BROCK: Sure.

18 MR. IVANOFF: In the past and to this date,
19 traditional knowledge has been ignored by government agencies
20 and western science in assessing the risks of industrial
21 development. Knowledge that has been passed on from one
22 generation from the next has been excluded. The existence of
23 the Nupiat people here in the Arctic was not by accident. They
24 have survived by reading the environment and the ice conditions
25 and the movements of the marine mammals.

1 This process has left out traditional knowledge, and
2 they've got to be incorporated. They must be involved. I
3 think you've heard that in the Barrow region as well. And, you
4 know, Inupiat culture calls for a multi-disciplinary approach
5 in assessing the effects of development. And I think this
6 process is short-changing the people by not including what the
7 elders know on the effects of development.

8 MR. BROCK: That's a very good point. We're making
9 that change. As we speak, we've got people working on that
10 change, and 144, up in the Beaufort Sea sale. The final EIS
11 will be covering a lot of traditional knowledge. But you're
12 right. In the past it has been -- not been as complete as it
13 could have been.

14 MS. CASEY: Anything else, Art?

15 MR. IVANOFF: Well, I think we'll get our -- many of
16 us will submit written comments before the deadline, May 9th.

17 MR. BROCK: Good.

18 MR. JOHN ELLIOTT: And like I said, I had some
19 comments that I was going to present here, but that was until I
20 took another look at that map, and I've got to go back and talk
21 to my.....

22 MR. BROCK: Right.

23 MR. JOHN ELLIOTT:my colleagues before I make
24 comments, so I'll submit written comments in the future. But
25 earlier Frank did talk about the deferred consent, or as far

1 as.....

2 MS. CASEY: Due deference.

3 MR. JOHN ELLIOTT: Due deference? And one thing I
4 noticed in the EIS is that they cite,

5 "MMS needs to look at issues relating to
6 environmental justice."

7 And they cite in an executive order. Back in '92, I think they
8 ordered -- you guys had cited here -- I don't know if that was
9 in '91. But in '92, Clinton issued an executive order on
10 tribal recognition, which basically says the federal government
11 would deal with tribes on a government basis.

12 Now, I know that the Governor for the state of
13 Alaska, near the end of this process, I guess he gets to review
14 the final EIS to make comments on the final; is that right?

15 MR. EMERSON: Mm hmm (affirmative).

16 MR. BROCK: The final is not put out for comment.
17 Anybody can -- we get the comments on the draft when we do the
18 final. What the Governor's asked to do, is we do a consistency
19 determination, coastal zone consistency.....

20 MR. ELLIOTT: Okay.

21 MR. BROCK:determination, at the same time the
22 final comes out, and he's asked to review that.

23 MR. JOHN ELLIOTT: Okay. I'm wondering if you guys
24 are bound by the executive order on addressing environment
25 justice issues.

1 MR. BROCK: Right.

2 MR. ELLIOTT: Is there a responsibility to -- that
3 maybe should be explored, as far as looking at the relat- --
4 how the tribes are going to interact with the Minerals
5 Management Service and this process here?

6 MR. BROCK: In what respect? I don't.....

7 MR. ELLIOTT: As far as instead of being more like
8 the Governor has basically a weight in this process that not
9 all parties have. And is there a.....

10 MS. CASEY: Right.

11 MR. ELLIOTT:possibility that tribes can also
12 be given that same weight, or at least the tribes that are
13 going to be affected of a particular lease area?

14 MR. BROCK: Well, on this particular process, which
15 is comments on the Environment Impact Statement, the state, the
16 Governor, everybody comments the same. So to answer that
17 question, it's the same as everybody else on a government to
18 government relationship. Now as far as on the coastal zone
19 consistency, do you have any information about.....

20 MS. CASEY: No. What John's referred to is on the
21 executive order recognizing tribes on -- the federal government
22 recognizes tribes on a government to government relationship.
23 And yes, we are bound by that and we -- there's -- the
24 Department of Interior's put out a (indiscernible) tribal
25 governments are. And we have made an effort to contact all of

1 the tribal governments, traditional councils, and all, in our
2 process. And yes, they're comments are given considerable
3 weight.

4 MR. JOHN ELLIOTT: Okay. Then I guess Frank had also
5 talked about they're still trying to figure out how to deal
6 with the idea of due deference. And I'm wondering also this
7 executive order might provide something that can be used as a
8 basis for due deference considerations, whether it's revenue-
9 sharing or coming up with some kind of revenue agreement
10 between three and six miles or something like that?

11 MS. CASEY: We're bound by the OCS Lands Act on that,
12 in terms of -- on the revenue-sharing. However, as Frank had
13 mentioned in his comments, the Alaska Stakeholders group fully
14 endorse impact assistance for local communities that may be
15 affected by an oil and gas lease sale. We're required by law
16 to give to the state, and we do.

17 The state of Alaska has gotten many millions of
18 dollars from the OCS from that three to six mile line area for
19 any bonus of rentals and royalties that may have been received.
20 You know, they haven't gotten royalties yet, on oil but -- so
21 they do get the money for -- to deal with impacts associated
22 with OCS leasing activities. However, it's up to the state how
23 to disburse that.

24 MR. JOHN ELLIOTT: All right.

25 MS. CASEY: Okay?

1 MR. JOHN ELLIOTT: I guess what I'm saying here is
2 that even in light of the executive order, the State still
3 carries more weight. The State is -- collects revenue between
4 the three to six miles. It's recognized as a government by the
5 federal government. But it doesn't -- you know, as far as
6 the -- what people perceive to be the payoffs as far as
7 subsistence goes.

8 And I don't mean to sound racist or anything by
9 saying this, but there's a political relationship that exists
10 between the federal government and the tribes, and other people
11 that are concerned about subsistence, marine mammal hunting
12 anyway, generally think of you as members of tribes.

13 And if for -- let's say a lease sale happens.
14 Whether the tribe was for or against, or the federal government
15 is for or against this lease sale, if it turns out that they
16 perceive or that their subsistence hunting or fishing patterns
17 that have been impacted by the activity, can they also collect
18 within that three to six miles limit just like the State does?

19 MS. CASEY: Not under the law as it exists today.

20 MR. BROCK: See, that's where we've got a difference
21 here, and I'm not a lawyer enough to explain the difference.
22 The executive order says that we will recognize the tribes as a
23 government to government basis, and we're trying our best every
24 way to do that. A different law passed, which was the Outer
25 Continental Shelf Lands Act, and Congress passed that law and

1 said, 'You, Department of Interior, will give 26 percent.....

2 MS. CASEY: Twenty-seven.

3 MR. BROCK: 27 percent? I'm sorry -- '27 percent of
4 what you collect from three to six miles to the State.' So
5 Congress has to go back some way and bridge that gap. We can't
6 distribute money that Congress doesn't tell us to do, so
7 there's a difference that and I can't tell you how it's going
8 to be rectified. But the Department of Interior can't
9 distribute money until Congress tells us to do it that way.

10 MS. CASEY: Senator Murkowski has introduced
11 legislation specifically for impact to subsistence for local
12 communities. So -- and that's -- it hasn't gone very far, but
13 it's still in committee and it is being considered, and that's
14 the Senate Bill 575.

15 MR. BROCK: Any other -- yes, sir?

16 MR. CHARLIE GREGG: On the blue section of Hope and
17 Chukchi.....

18 MR. BROCK: Yes, sir.

19 MR. GREGG: Who has -- who can delete sections from
20 that?

21 MR. BROCK: Well, the Secretary of the Interior is
22 the person that makes the final decision of what will be
23 offered for sale, so he has the -- he and the President, I
24 guess, have the ultimate decision here. The Secretary of
25 Interior has the ultimate decision on what will be deleted and

1 what will be included. But he gets a lot of advice from a lot
2 of different people as the process goes along.

3 MR. GREGG: Can the village of Kivalina suggest
4 the -- can you delete the bottom part of.....

5 MR. BROCK: That's right, and that's what we're here
6 for.

7 MR. GREGG: Oh.

8 MR. BROCK: What we want to do is, we want to send up
9 a document to the Secretary of Interior that tells him as
10 honestly as we can put it together what people's feelings are.

11 MR. GREGG: Mm hmm (affirmative).

12 MR. BROCK: Then he has to make a trade-off between
13 where does that fit with the national program of oil and gas
14 needs, with the balance of payments, with strategic minerals,
15 you know, all these other decisions that go into his -- all
16 these other factors that go into his decision, but yes, the
17 village of Kivalina, Kotzebue, you know, the west or the
18 Arctic -- what's the borough over here? Northwest Borough?

19 (Simultaneous speech)

20 MR. BROCK: Yeah, the Arctic Borough. You know,
21 whoever can make those comments, and they will go into the --
22 as a factor, and they will -- and of course, the people nearest
23 the area, their opinion is evaluated very heavily.

24 MS. CASEY: That's absolutely the kind of comment
25 that we're looking for. You have the suggestion the village of

1 Kivalina would say we want this portion deleted, you know, and
2 that would satisfy our concern, and the other for your hunting,
3 and the other portion is okay if you go forward with leasing.
4 That's a very specific detailed comment that is easy for the
5 Secretary to look at and evaluate, as opposed to saying delete
6 everything, for example.

7 MR. GREGG: Mm hmm (affirmative). If they delete --
8 could delete the bottom section because.....

9 MS. CASEY: Right.

10 MR. GREGG:of migration of the whale, the
11 belugas?

12 MS. CASEY: Right. And that's your hunting, and
13 that's what we feel is -- yes, exactly. That's the very
14 specific kinds of comments -- the more specific they are, the
15 better they help us to make changes to what we're looking at in
16 terms of areas being offered.

17 MR. BROCK: But let me add just one point to that,
18 and that's that just because the Secretary might decide, okay,
19 that kind of a concern is better evaluated in a sale-specific
20 EIS, he might go ahead and keep it on the schedule and then
21 we'd write the specific EIS and evaluate that kind of a concern
22 more in depth.

23 I just don't want you to take it that if you suggest
24 it now and he doesn't adopt it, to say oh, nobody listens to
25 what I have to say. I just don't want that kind of a concern

1 being raised and then think that we haven't heard you. Because
2 the Secretary may decide that that's more of a sale-specific
3 concern and we'll evaluate it at that point rather than at this
4 point. I'm just throwing that out as a possibility.

5 MS. ALICE ADAMS: But that's where our food and
6 health comes from.....

7 MR. BROCK: That's.....

8 MS. ADAMS:the ocean.

9 MR. BROCK:what I say, and that's the reason
10 it's good to make the comment here, but if it's not adopted
11 here then the sale-specific EIS will be talking about that in
12 more specificity at that point. I just wanted you to
13 understand why it may stay in at this point and then be
14 evaluated in more depth later on. I'm not saying it will, I'm
15 just pointing out the difference.

16 MR. IVANOFF: I had a question on Section 16:

17 "Missions not analyzed in detail, although
18 it is not raised in the context of the five-year
19 leasing program but an issue of the potential
20 impacts of OCS development on the Indian tribes'
21 resources that has not been raised during the
22 development of the leasing proposals for the
23 Alaska OCS.

24 "Further, the federal government does not
25 recognize the validity of claims of aboriginal

1 title and the associated and fishing rights that
2 have been asserted for unspecified areas in the
3 Alaska OCS."

4 Was that your attorney that spoke on the language here, or.....

5 MR. BROCK: There was a lawsuit on the aboriginal
6 rights, and it was -- Phyllis could probably address that
7 better than I can. But there was a decision of a court that
8 said something along that line on the aboriginal rights, but
9 I'm certainly not a lawyer enough to explain that to you.

10 MS. CASEY: There have been similar cases all
11 throughout Alaska where there's been some litigation about
12 aboriginal rights, and the issue is not yet fully resolved. In
13 some cases it has been, but it's not fully resolved yet in
14 Alaska. (Indiscernible), so that is still an open question.
15 And until the courts rule specifically on that and all legal
16 remedies are pursued, the federal government's position is that
17 aboriginal rights have been extinguished.

18 MR. BROCK: Yes?

19 MR. JOHN KOENIG: I know you guys, over the last
20 couple of years anyway since I've become a -- had dealings with
21 the Minerals Management Service. You guys, you seem to go out
22 of your way more than most agencies to try to get, you know,
23 local communities involved in the stuff.

24 But one of the things that I think that's a problem
25 is that a lot of people that show up to hearings like this

1 don't realize that you guys have already done a lot of work
2 trying to analyze what the potential impacts are. And
3 basically they're in something like this, and these are pretty
4 cumbersome, and I don't think very many people are going to
5 read this. If in the future somebody could come up with
6 something -- like in the Major Findings.....

7 MR. EMERSON: Mm hmm (affirmative).

8 MR. JOHN KOENIG:I heard Richard ask the
9 question about what some of the impacts might be. And under
10 major findings it says that:

11 "Some species could be rendered unavailable or
12 undesirable for up to two years."

13 And that's a kind of a substantial piece of information that
14 could be included in a much smaller.....

15 MR. BROCK: Right.

16 MR. JOHN KOENIG:form, but could be circulated
17 to the communities before these workshops so that people kind
18 of have a.....

19 MR. BROCK: That's.....

20 MR. JOHN KOENIGcommon basis of knowledge
21 between what you guys understand and what some of the questions
22 people here are going to ask.

23 MR. BROCK: That's a good.....

24 MR. EMERSON: Yes.

25 MR. BROCK:approach. And.....

1 MR. EMERSON: It is.

2 MR. BROCK:one of the things that -- we didn't
3 do it for this particular public hearing, but one of the things
4 that we've done on site-specific, sale-specific public hearings
5 is we go out a couple of weeks in advance of a public hearing
6 and we hold the workshop and go through that. Even though we
7 might not write a summary, we go through the document to help
8 people understand where various things are to assist them in
9 reading the EIS, and so we go part of that distance.

10 MR. EMERSON: We also do a fact sheet for that
11 workshop, and that would apply at this point, so that's a good
12 comment, John. We can.....

13 MR. JOHN KOENIG: Thanks.

14 MR. EMERSON: We should -- we can do that.....

15 MR. BROCK: But we're.....

16 MR. EMERSON:at this point.

17 MR. BROCK: We're still looking for ideas to improve
18 that system because we're trying our best to make these
19 documents as readable and as understandable as possible, and
20 sometimes they're not that way.

21 (Off record)

22 (Tape No. 2 of 2)

23 (On record)

24 MR. BROCK: Yes, sir?

25 MR. JOE SWAN, SR.: Yeah. My closing comment on

1 those waterfowls that migrate through here in the spring were
2 drowned in the oil spill. I recognized them in the -- in a
3 total region. I don't -- I don't see that many migrating bird
4 this spring, that migrates through the ocean. I've seen them
5 on the T.V. It was sad to see them gone in the oil spill.

6 MR. BROCK: Right. Thank you.

7 MR. IVANOFF: I'd like to get back to the point of --
8 I think maybe Phyllis could -- get back to the news, to discuss
9 this a little further. But it sounded like the question on
10 aboriginal title is still open and it hasn't been resolved; is
11 that correct?

12 MS. CASEY: Well, it's been remanded back several
13 times in the village of Gambell case. I think we're now at
14 four or five. And there is -- back to the lower court from the
15 Appeals Court, and there is still questions that are
16 outstanding on that that are being reviewed.

17 MR. BROCK: That's correct.

18 MR. IVANOFF: I guess what I question is whether this
19 is an appropriate statement then, considering that the decision
20 is still up in the air? The federal government does not
21 recognize the validity of claims of aboriginal title and
22 associated hunting and fishing rights.

23 MS. CASEY: Right.

24 MR. BROCK: We'll check that.....

25 MS. CASEY: No one.....

1 MR. BROCK:for sure.

2 MS. CASEY: Yeah, Art, if you look at what the
3 sentence is saying, is that for this programmatic EIS, you
4 know, that's what we're looking it. That's what that sentence
5 is in context with.

6 MR. BROCK: In other words, I think that what it's
7 trying to say is that for the purpose of this EIS, the
8 government is claiming that area.

9 (Simultaneous speech)

10 MR. IVANOFF: Mm hmm (affirmative).

11 MR. ANDREW KOENIG: I -- just to put my words out on
12 tape.....

13 MR. BROCK: Yes, Andrew?

14 MR. ANDREW KOENIG: My name is Andrew Koenig, and I'm
15 a hunter -- young hunter, 41 years old. And what you're
16 talking about here on the Kenai, I don't know what the future
17 holds, but as a hunter I wouldn't want anything to happen. I
18 wouldn't want it to happen out there.

19 Like I said, I don't know what the future is but I
20 would like you to come back sometime in the future, maybe
21 that's when I'm gone already, I don't know. I don't know what
22 the young generation will feel later on, but at the time I will
23 feel that, you know, I wouldn't want it to happen.

24 MR. BROCK: You can be assured that if anything goes
25 forward here, we'll be back.

1 MR. ANDREW KOENIG: Yeah.

2 MR. BROCK: You can be assured of that. But that's a
3 good point. Anything else?

4 (No audible response)

5 MR. BROCK: Well, I would certainly want to thank you
6 all for coming out. We really enjoy -- enjoyed maybe is not
7 the right word. We really appreciate the efforts that you've
8 put together here and commented and worked on this work with
9 us.

10 And the main thing is that the closing time is May
11 9th as far this Environmental Impact Statement is concerned.
12 If the decision is to proceed with a sale in this area, you'll
13 be notified of that as soon as the final decision is made,
14 which is about June -- May or June of 1997. It may be a little
15 earlier than that. It could be as early as December of '96
16 that the final decision would be made.

17 But whenever that's made, you'll be notified of that
18 final decision, of what the schedule looks like and what we'll
19 be working on. But we won't -- and we'll be working on it
20 starting probably in late '96, early '97, but no sales will be
21 held until these dates that are -- whatever these dates are in
22 the final program. They might not be here, some of them might
23 be taken off, they might be changed.

24 But anyway, those sales that are in the final
25 program, we'll send it to you and let you know about it. And

1 as soon as we start working on the sale in your area, which in
2 this particular case is the Hope Basin/Chukchi, if that's on
3 the schedule and if we start working on it, you'll be involved
4 in the process every step of the way.

5 And I do want to encourage you to stay involved in it
6 because your input counts, and it's really important to say
7 okay, maybe if you say we're against it but if you're going to
8 have it, do this, this and this. At least maybe we can help
9 some of those concerns you have if the decision is made to
10 proceed with it. So I really want to encourage you to stay
11 involved in the process. Yes, sir?

12 MR. JOHN KOENIG: If this is like the tail end of the
13 meeting, do you have a feeling for what the agency's
14 interpretation of how the folks here felt about whether or not
15 Hope Basin ought to be included or dropped from the plan?

16 MR. BROCK: Well, I guess I wouldn't want to -- I
17 guess I probably heard more negatives than positives. I mean,
18 if that's what you meant, but, you know, everybody had their
19 own interpretation I'm sure. Yes?

20 MR. JOHN KOENIG: And I know that you were trying to
21 put across that -- that it could still stay on the plan but get
22 killed at the specific.....

23 MR. EMERSON: Yes.

24 MR. BROCK: That's right.

25 MR. JOHN KOENIG:proposal. But what I just

1 wanted to kind of highlight is that what you've heard here from
2 a number of individuals is that they're saying while they're
3 alive or in their time, they don't want to see this.

4 MR. BROCK: Right.

5 MR. JOHN KOENIG: And we've heard it from all the
6 folks and then from this gentleman here. So that kind of
7 sounds to me like what they're saying is -- what these folks
8 are saying is they don't even want it in the program.

9 MR. BROCK: In the program. All right. And
10 that's.....

11 MR. JOHN KOENIG: So.....

12 MR. EMERSON: In that case, they're supporting
13 Alternative 4 in this decision document, which.....

14 MR. BROCK: But what I.....

15 MR. EMERSON:excludes.....

16 MR. BROCK: What is -- the reason I.....

17 MR. EMERSON:Hope Basin.

18 MR. BROCK:handed him -- or point that out is
19 that if it's made on a national decision to keep it in the
20 program at this level, please stay involved at the sale-
21 specific level so we can get in and get honed in on the real
22 concerns, or all the concerns, at the appropriate places. And
23 that's all I'm encouraging you do, is if it stays in, please
24 stay involved in the process.

25 MS. ALICE DAVIS: It would be nice if you came out

1 and had a workshop.

2 MR. BROCK: Pardon me?

3 MS. ALICE DAVIS: You mentioned about workshop.

4 MR. EMERSON: The EIS workshop.

5 MR. BROCK: Oh, if we.....

6 MS. CASEY: You mentioned about workshops.

7 MR. BROCK: If it stays in the program, if we start
8 on the sale-specific part of it, and when we get the Draft
9 Environmental Impact Statement out. But that wouldn't be
10 probably until sometime in 1999 -- well, no, I'm sorry. It
11 probably wouldn't be until sometime in 2001. We would have a
12 workshop when that draft EIS comes out, to talk about the -- to
13 help you read the EIS. That's what I meant by the workshop.

14 At this point, we probably won't be back to Kivalina
15 until we -- if the sale stays in the process, until we start on
16 that specific sale.

17 MR. ANDREW KOENIG: Can I have a comment?

18 MR. BROCK: Yes, sir.

19 MR. ANDREW KOENIG: If you plan to come back next
20 time, it'd be a good time during the wintertime, in November.
21 That's when everybody will be home.

22 MR. BROCK: In November?

23 MR. ANDREW KOENIG: Yes.

24 MR. BROCK: Okay. Yeah, that's always the concern as
25 to when do we come. Sometimes the process -- and I realize

1 that you're not concerned about our process. Sometimes our
2 timing makes it difficult, but we do try to talk to the people
3 in the area and we try to adjust to whenever we can, but
4 November's good to know, and we'll try -- we can always try to
5 work that way.

6 MR. ANDREW KOENIG: April. April is always the start
7 of the season to put food away for the winter.....

8 MS. CASEY: Right.

9 MR. BROCK: Right.

10 MR. ANDREW KOENIG:for us. That's when the
11 food starts, and, you know, it'll circulate until November.
12 Everybody will -- they overeat.

13 MR. BROCK: Okay. We'll certainly try to work that
14 direction. Any other comments? Yes, sir?

15 MR. AUSTIN SWAN: I think next time you plan to come
16 here, you might think about bringing in video information
17 concerning the issues on the lease sales and such.

18 MR. BROCK: A video?

19 MR. AUSTIN SWAN: Yeah. I think I'd be more prone to
20 look at a one-hour video than to read through a whole book like
21 that.

22 MR. BROCK: Okay. We'll see what we can do along
23 that line. Good idea.

24 MS. CASEY: What is your name, please? Your name?

25 MR. AUSTIN SWAN: Austin Swan.

1 MS. CASEY: Thank you.

2 MR. BROCK: Okay. Thank you all for coming, and with
3 that we'll close, and I do appreciate your comments.
4

5 (Whereupon, the proceedings in the above matter were
6 adjourned at 3:00 p.m.)
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C E R T I F I C A T I O N

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)
_____)

I, CINDY S. CARL, do hereby certify:

(1) That the foregoing pages contain a full, true, and correct transcript of proceedings in the above-entitled matter, transcribed by me, or at my direction and supervision, to the best of my knowledge and ability.

(2) That I have been certified for transcript services by the United States Courts.

(3) That I was certified for transcript services by the Alaska Court System prior to January 1, 1993.

SIGNED AND CERTIFIED:

BY: Cindy S. Carl
Cindy S. Carl
Certified Court Reporter

DATE: 4/23/96

